

a user interface for receiving user inputs indicative of a borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption, and for providing those inputs to the central processing unit,

the central processing unit performing an analysis of the inputted information and calculating a maximum dollar amount of a house purchase price that the borrower can afford, based upon an optimal loan-to-value ratio, achievable using mortgage insurance, that maximizes future home equity,

the central processing unit further calculating a maximum dollar amount of a house purchase price that the borrower can afford without using mortgage insurance,

the central processing unit providing results of the calculations to the user interface for output to the user.

9. A method for optimizing a borrower's use of mortgage insurance based upon projections of future home equity, comprising:

(a) entering inputs into a central processing unit having electronic access to mortgage insurance information, the inputs including the borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption;

(b) performing an analysis of the inputted information, using the central processing unit, and calculating a maximum dollar amount of a house purchase price that the borrower can afford, based upon an optimal loan-to-value ratio, achievable using mortgage insurance, that maximizes future home equity,

(c) calculating a maximum dollar amount of a house purchase price that the borrower can afford without using mortgage insurance; and

(d) outputting from the central processing unit the results of the calculations.

93 16. The method of claim 15, further including:

calculating the projected future home equity for years one through ten.

Please add new claims 21 - 24:

21. The system of claim 1 in which the central processing unit has electronic access to mortgage insurance information stored in memory.

22. The method of claim 9 in which inputs are entered into a central processing unit having electronic access to mortgage insurance information stored in memory, the inputs including the borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption.

23. A system for optimizing a borrower's use of mortgage insurance based upon projections of future home equity, comprising:

94 a central processing unit having electronic access to mortgage insurance information; and

a user interface for receiving user inputs indicative of a borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption, and for providing those inputs to the central processing unit,

the central processing unit performing an analysis of the inputted information and calculating a maximum dollar amount of a house purchase price that the borrower can afford, based upon an optimal loan-to-value ratio, achievable using mortgage insurance, that maximizes future home equity,

the central processing unit providing results of the calculations to the user interface for output to the user.

24. A method for optimizing a borrower's use of mortgage insurance based upon projections of future home equity, comprising:

(a) entering inputs into a central processing unit having electronic access to mortgage insurance information, the inputs including the borrower's financial situation, closing costs, loan terms, and a house value appreciation assumption;

94 (b) performing an analysis of the inputted information, using the central processing unit, and calculating a maximum dollar amount of a house purchase price that the borrower can afford, based upon an optimal loan-to-value ratio, achievable using mortgage insurance, that maximizes future home equity, and

(c) outputting from the central processing unit the results of the calculations.

#### Remarks

The present amendment responds to the Official Action dated July 29, 2002. The Official Action rejected claims 1-20 under 35 U.S.C. 103(a) based on Ryan U.S. Patent No. 5,673,402 (Ryan). This ground of rejection is addressed below following a brief discussion of the present invention to provide context.

Claims 1, 9 and 16 have been amended to be more clear and distinct. These amendments do not introduce new matter, as they are supported by the specification as filed. Claims 1 and 9 have both been amended by deletion of the requirement for the mortgage insurance information to be stored in memory. Although the central processing unit is required to have electronic access to such information, storage in memory is optional. This is clear from the specification, for example at page 10, lines 14-20, which states: "As shown in Fig. 4, the Homeowner Equity Calculator software module 104 includes a number of programmed functions 108, and also